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TO RUEHC/SECSTATE WASHDC 4930
INFO RUEHBO/AMEMBASSY BOGOTA 4516
RUEHBR/AMEMBASSY BRASILIA 7271
RUEHBU/AMEMBASSY BUENOS AIRES 2842
RUEHCV/AMEMBASSY CARACAS 0276
RUEHLP/AMEMBASSY LA PAZ APR QUITO 1122
RUEHSG/AMEMBASSY SANTIAGO 1200
RUCPDO/DEPT OF COMMERCE WASHINGTON DC
RUEATRS/DEPT OF TREASURY WASHDC
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RHEBAAA/DEPT OF ENERGY WASHDC

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TREASURY FOR U/S TAYLOR, KKOZLOFF, MSHWARZMAN, AJEWELL

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E.O. 12958: N/A
TAGS: [ENRG](#) [ECON](#) [ETRD](#) [EAID](#) [SENV](#) [PE](#)
SUBJECT: MINOR ANOMALY FOUND IN CAMISEA PIPELINE

REF: 06 Lima 4480

11. SUMMARY: On April 3, Camisea pipeline operator TGP detected an anomaly in the gas liquids pipeline and took measures to remediate the problem. This is the only anomaly reported for the 2006-7 rainy season (now ending), during which the sodden earth has historically caused problems. A "smart pig" (pipeline inspection gauge) operated by a contract U.S. firm discovered the anomaly before it could become a problem. GOP inspectors will visit the site on April 4 to investigate the nature of the problem together with TGP staff. END SUMMARY

12. On April 3, Transportadora de Gas del Peru (TGP), the company operating the Camisea natural gas and gas liquids pipelines, confirmed to Econoffs that an inspection crew had detected an anomaly in the gas liquids pipeline at kilometer 125 in the jungle. TGP described the anomaly as some bubbling in the wet ground above the pipe, detected during their routine pipeline inspection work. (Note: during the rainy season, now ending, the earth around the pipeline can become waterlogged. End Note.) At TGP's control center in Lurin, south of Lima, the detected anomaly led operators to shut down the pipeline immediately as a precaution.

13. A TGP inspection team flew by helicopter immediately to the site, along with a local magistrate and representatives from the nearby village of Kapashiato, to witness the inspection work and verify that no social or environmental damage had been done. There was, according to TGP Corporate Relations Director Rafael Guarderas, no harm to environment or people. TGP workers excavated around the site and will continue investigation on April 4. Contacts at the GOP energy inspection and regulatory agency OSINERGMIN told Econoff that inspectors would arrive on the site on April 4. (Note: the only access is by helicopter, as the area was left roadless to prevent negative environmental impacts. End Note.)

14. The April 3 incident is the only anomaly reported for the 2006-7 rainy season. TGP has spent \$115 million over the past year to improve the pipelines, including contracting with U.S. firm Tuboscope Pipeline Services for use of its robotic "smart pig" (which travels inside the pipeline to sense anomalies before they become problems), as well as various buttressing and maintenance

work for both pipeline beds.

¶5. To date, there have been no anomalies in the parallel (and longer, as it follows the coast almost to Lima) gas pipeline. Natural gas production in Peru was 212.87 MMcf/d in March, up 10.5% over February, due to increased use from new power-generation plants such as Enersur.

¶6. Meanwhile, the independent technical audit of the pipeline (Reftel) is expected to be released in May, and its contents are confidential until then. However, Energy Ministry (MEM) Hydrocarbon

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Director Gustavo Navarro noted to us that the audit contract required the contractor to report immediately to the MEM if it found any condition of imminent risk. There have been no such reports.

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